

MINUTES AND REPORT

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MEETING OF COUNCIL

THE CO-OPERATIVE FEDERATION OF VICTORIA

held at 225 Swanston Street, Melbourne on Monday, 15th February 1982, commencing at 7 p.m.

1. PRESENT

Mr. J. N. Black
Mr. A. Dash
Mr. E. J. Long
Mr. B. H. Macintosh
Mr. J. Mitchell
Mr. M. Rundle
Mr. G. Simm
Mr. O. J. Slattery
Mr. W. W. Rawlinson
Mr. B. Greer

Chairman

Executive Officer
Community Employment
Cooperatives Adviser

Apologies for absence from the meeting received from Mr. A. Gill.

2. WELCOME AND INTRODUCTION

The Chairman welcomed Mr. Mitchell attending his first meeting of the Council. He also commented on the video tapes viewed by Council prior to the meeting. The video films were

"The Mondragon Experiment" produced by the B.B.C.

"Up and Running" produced by Open Channel featuring Bootstrap and other Victorian Community Employment Cooperatives

3. MINUTES

Minutes of the meeting held 30th November 1981, having been circulated, were received and adopted as a correct record of that meeting.

4. MATTERS ARISING

4.i Minute 3.ii - December Newsletter

Council considered the December Newsletter which had been issued with the assistance of Mr. Manallack, whose account for this service is still awaited. It was agreed the general presentation of the inside was of an improved standard but the front cover could still be improved.

Council agreed there should be an increased production to enable a bigger distribution list for more copies to be sent to Cooperatives to enable a broader readership coverage to be obtained. It was agreed feedback should be sought from members on attitudes and reaction to the Newsletter.

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Minute 4.vii - Community Cooperative Stores

This Western Australian Cooperative is a secondary level cooperative of travel agents incorporated to obtain the benefits of economies of scale for small scale travel agents. The name is a "shelf" name formerly used by a cooperative associated with the Cooperative Federation of Western Australia.

Since the last meeting Community Cooperative Stores has requested the Cooperative Federation of Victoria to assist in applying for registration of four business names in this State. Relevant forms of application have been obtained and forwarded to Western Australia for completion.

4.iii

Minute 6 - Video Production Appeal

36 member Cooperatives were circulated with this appeal and five have responded up to date with a total contribution of \$755-00. A further \$250-00 has been approved for contribution to the appeal.

Council considered the appeal could have been better presented with the object of making a better impact. It was agreed

to broaden the field of source of appeal to member State Federations of the Cooperative Federation of Australia through the national organisation.

It was further agreed

the appeal should be further promoted in the next issue of the Federation newsletter.

4.iv

Minute 8 - Fishermen's Cooperatives

The Executive Officer reported having visited three Fishermen's Cooperatives. The cooperatives visited were the San Remo Fishermen's Cooperative which currently does not undertake any marketing of fish for its members. It is purely a supply and service cooperative. That cooperative has made application for membership of the Federation.

The Lorne Fishermen's Cooperative has ceased to operate as a cooperative as its assets and operations have been purchased by the Manager and associates to operate as a private company.

The Apollo Bay Fishermen's Cooperative has changed its management but problems are still being experienced in consistent support for the cooperative's marketing services and an understanding of the role and responsibilities of Cooperative Directors.

Council agreed efforts should be made for Federation representatives, including Fishermen's Cooperatives representative on Council, to meet with the Board of the Apollo Bay Fishermen's Cooperative in June.

4.ii

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4.v Minute 8 - Untraceable Members

Four replies have been received to the circular issued, of which one was from a cooperative company. It is agreed this matter be also further publicised in the next issue of the Federation's newsletter.

4.vi Minute 9 - Cooperative Bank Studies

The Executive Officer reported that all Victorian Cooperatives who had undertaken to contribute to the Cooperative Bank Feasibility Study had paid the agreed contribution. It was further agreed that a progress report on the current studies be compared for circulation to each of the subscribing member cooperatives.

5.

CORRESPONDENCE

5.i To Chairman, Australian Footwear Retailers Cooperative

- congratulating Mr. MacArthur on the award of the O.B.E. in the New Year's Honours List.

5.ii From and To Murray Goulburn Cooperative

- re involvement of other dairy cooperatives and relationship with Cooperative Dairy Factories Association and The Cooperative Federation.

5.iii To and From Minister of Agriculture

- re availability of amending Dairy Industry legislation for preview.

5.iv To Open Channel

- congratulating this cooperative on its efforts towards establishment of a public television service.

5.v From Nadakobe Consumers Cooperative, Japan

- re temporary employment for one of its staff members on a working holiday in Victoria.

5.vi Hansard 25/11/81 re Credit Societies Reserve Fund

5.vii Hansard, 15,16,17 December 1981

- re passage of Co-operation Act.

6.

APPLICATIONS FOR MEMBERSHIP

Applications for membership of the Federation, supported by the relevant documents and fees to 30th June 1982 were received from the following cooperatives:

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San Remo Fishermen's Cooperative Ltd.,
Warrandyte Community Workshop Cooperative Ltd.

After due consideration Council admitted both applicants into membership.

7. FINANCIAL STATEMENT

Separate and consolidated statements of Income and Expenditure for the period 1.7.81 to 31.1.82 and Estimated Consolidated Balance Sheet as at 31.1.82 in respect of the Cooperative Federation of Victoria separate from and including the Community Employment Cooperatives' Development Programme were presented, discussed and received by the Council.

8. CONSTITUTION OF THE FEDERATION

The Co-operation Act 1981 provides for the incorporation of the Federation and, in order to comply with the requirements of the Act, it is necessary to adopt rules to bring the Federation into conformity. A draft constitution considered by the Legislation Committee, and including a major change in principle from one vote per member to a system of multiple voting relating to size of subscription was presented to the Council.

After general discussion Council agreed

that the principle of multiple voting from one to a maximum of five in relation to annual subscriptions paid based on Cooperative members' turnover was agreed to be included in the proposed new Constitution.

Council agreed

that a copy of the Draft Rules should be submitted to the Registrar for his comments prior to further reconsideration by Council or Federation members.

Council agreed

the Draft Rules should be the subject of further study by the Legislation Committee together with the current proposals relating to the re-structuring of the Cooperative Federation of Australia and possible relevance in parallel development of the two projects.

9. EDUCATION PROGRAMME

9.i Programme for Members

The Chairman reported meeting of an ad hoc committee called together to consider development of education programmes for member cooperatives and their staff, directors and members. That meeting recommended the Federation undertake a survey to obtain an assessment of education and training needs and the likelihood of acceptance by the potential market of such a training and education programme. The problem of the target market for such programmes, appreciating and perceiving their

Cooperative educational needs was discussed.

Council considered the subject should be discussed at regional meetings by the introduction of a list of possible topics for inclusion in an education and training programme for meeting participants to indicate priority needs from such a list and to which additions of unlisted needs may be added.

The need for the Federation to participate in the Federal Government's Manpower Development Executive Subsidy Scheme was accepted by Council.

9.ii Cooperatives and Co-operation in Secondary Schools

The Executive Officer advised that an informal meeting had been held with a view to practical progress being made in this Federation policy of development of Cooperatives in schools. A follow up meeting is to be held on Wednesday, 24th March 1982 in the Federation Office to which a member of the Federation Council is invited.

Mr. Long indicated his availability and willingness to participate in that meeting, subject to later confirmation.

10. 1980/81 CORPORATE PLAN

The Executive Officer presented to members of Council an action sheet relating to Federation action on tactics agreed in the 1980/81 Business Plan.

Council agreed

a special all day meeting should be held on Sunday, 4th April 1982 to consider formulation of a business plan for 1982/83. It was suggested Mr. David Dinning, General Manager, Victorian Cooperative Credit Association might be invited to take the role of Invigilator for the meeting.

11. REGIONAL MEETINGS

Council agreed that regional meetings be conducted in 1982 as follows:-

<u>Region</u>	<u>Location</u>	<u>Month</u>
Gippsland	Morwell	April 7
Western	Camperdown	May
Central	Bendigo	June
Goulburn Valley	Shepparton	June
Mallee	Robinvale/Mildura	July

It was agreed the meetings be of an informal social nature providing opportunities for local member cooperatives to talk of their own operations and to submit problems to Councillors in a free exchange of ideas. It was agreed the question of assessing education needs be considered at such

regional meetings and that the video on the Bootstrap Community Employment Cooperative be projected together with introductory and explanatory talk on the Community Employment Development Programme be given by the Cooperative Development Adviser.

12.

REPORTS

12.i Community Employment Cooperatives

The Executive Officer reported having attended two meetings of the Funding Committee in the previous week. Of the \$600,000 allocated by Government to Community Cooperative Development funding, to date about \$300,000 has been expended or committed.

Mr. Rawlinson advised that interviews are currently being undertaken with a view to expanding the staff of the Development Adviser by the appointment of an Administrative Assistant.

He also indicated that the Federation are required to make a formal submission to the Victorian Government if policy of Council is to continue the present service of providing facilities for the Development Adviser to operate as a service to these types of Cooperatives under the Government's Community Cooperative Funding Programme.

After general discussion on possible developments and political uncertainties Council agreed

that a formal submission be made to the Victorian Government for the continuance of the current arrangement whereby The Cooperative Federation of Victoria provides facilities and resources for a Community Cooperative Development Adviser. The budget for the year commencing 1st July 1982 should be prepared to take into account likely developments with an estimated maximum expenditure of \$60,000.

Mr. Greer advised Council that about 20 formed or potential Cooperatives had applied for involvement under the Community Cooperative Development Programme. It is likely the capabilities of the Programme and current staff will run to supporting about 12 Cooperatives.

The Adviser has established liaison with the Small Business Development Corporation which provides further access to increased resources. He is currently contracting out accounting and marketing services to assist the development of Employment Cooperatives. The problem of issue of loans by the Ministry on the recommendation of the Funding Committee to applicant Cooperatives has not been satisfactorily resolved. In the current year all funds issued have been in the form of grants but it is hoped provision can be made for the issue of loans in the ensuing year and for the administration and collection of proceeds from those loans to be a further service of

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the Cooperative Federation.

In the area of education for Community Employment Cooperatives Mr. Greer indicated this programme is being developed through the Vocational Orientation Centre as a temporary expedient.

He also indicated their need for legislation to assist in amending section 103 of the Co-operation Act 1981 restricting the use of employees as directors of Cooperatives.

12.iv

12.ii

Cooperative Advisory Council

Mr. Long reported a meeting of the Advisory Council was held on Thursday, 11th February 1982. Among matters discussed was the new Co-operation Act 1981 which it is anticipated will be proclaimed in March. The Registrar will thereafter write to the Cooperative Federation of Victoria formally inviting nominations to the Advisory Council. Mr. Long also reported that the meeting had considered applications for guarantees under the Guarantee Fund, together with the increasing problems being experienced where the security for such guarantees is solely the unpaid share capital. Conditions for the approval of guarantees have been stiffened in order to protect such funds and to provide a better discipline for applicant Cooperatives.

12.iii

Cooperative Federation of Australia (a) Re-structuring

Mr. Slattery tabled a "Proposal for the Establishment of the Co-operative Council of Australia Limited by the re-structuring of the current Co-operative Federation of Australia and the Co-operative Federations in each of the States". The paper had been received in the Federation's office only a few hours before the meeting of Council and it was not, therefore, possible to circulate for pre-meeting consideration. Council agreed

that each member of Council would study the paper and submit his personal comments on matters contained in that paper and return to the Executive Officer urgently to enable the relevant action to be taken by the State Federations' Legislation Committee and the National Federation's Steering Committee.

Council further agreed that the subject be dealt with as a high priority item at its next meeting.

(b) Co-operative Bank

Mr. Slattery advised that Stage 1 has now been completed and a report received from Mr. Oliver which recommends continuing to Stage 2 of the survey. The Steering Committee have accepted the report and Stage 2 is due to begin in late February 1982 with participants being a nominee of the D.G. Bank of Germany and Mr. C. Little, a partner in charge of Deloitte Haskins & Sells.

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13.

NEXT MEET

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CLOSURE

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The current timetable is for the study to be completed by the end of March 1982.

12.iv

Executive Officer

Mr. Rawlinson reported completion of the Australian Development Assistance Course in New South Wales, as per the agreement. A copy of the report on the course, course papers and photographs relating to the progress of the course were tabled.

He also reported assisting a Farm Production Cooperative in locating marketing facilities for its crop.

He reported on action taken in conjunction with the Australian Society of Accountants, Victorian Division in promoting the formation of a discussion group related to development of Cooperative activity by small retailers. A group of 428 accountants in the wholesale trading category had been circulated inviting their participation in an exploratory meeting with the object of developing a specialist discussion group. The Executive Officer also reported having visited Herd Improvement Cooperatives, Fishing Cooperatives and the Drouin Cooperative Butter Factory. The Chairman of the Drouin Cooperatives Butter Factory is Chairman of the Cooperative Dairy Factories Association who undertook to clarify action by that Association in relation to submissions and proposals advanced by the Cooperative Federation of Victoria and discussions held between the Chairman and the Executive Officer of the Cooperative Fédération and the Secretary of the Cooperative Dairy Factories Association.

Mr. Rawlinson also indicated that expansion of staff within the Federation is causing some constraints on availability of space. He proposes to hold discussions with the General Manager of Security Permanent Building Society with a view to ascertaining the landlord's proposals for availability of more space within the building.

13.

NEXT MEETING

Council agreed that its next meeting should be held on Monday, 15th March 1982 in the Federation's office, commencing 7 p.m.

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CLOSURE

There being no further business the meeting was closed at 10.30 p.m.

W. Rawlinson
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